

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 855 - HB 1006

March 18, 2013

**SUMMARY OF BILL:** Establishes a new liquor-by-the-drink license for firms defined as “live music venues”. Such firms will not be required to sell food as a prerequisite for licensing. Authorizes establishments currently licensed as limited service restaurants to exchange their current license for a “live music venue” license if they meet the proposed definition. Such entities will be responsible for paying the application fee for the new license and for paying any applicable, prorated balance based on any difference in price between the two licenses. If any venue currently licensed as a restaurant or limited service restaurant is found by the Alcoholic Beverage Commission (ABC) to not meet the qualifications for their current license, they will have 30 days to exchange their current license for a “live music venue” license, provided the application fee and any prorated balance is paid.

**ESTIMATED FISCAL IMPACT:**

**NOT SIGNIFICANT**

Assumptions:

- Any increase in administrative expenses to the ABC is estimated to be not significant.
- The establishments that will be authorized to switch to a “live music venue” license are those limited service restaurants that are currently required to have at least 15 percent of their total sales be food sales. The price for the applicable license is \$4,000. The price for the new “live music venue” license is \$4,000. As a result, it is assumed there will be no change in fee revenue to the ABC.
- Any increase in state and local sales tax collections resulting from a change in the type of sales made for these locations is estimated to be not significant.
- Any change in local privilege tax collections resulting from a change in licensure is estimated to be not significant.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise".

Lucian D. Geise, Executive Director

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